# Internal Audit of
# WFP Operations in Yemen

## Office of the Inspector General
## Internal Audit Report AR/20/03

**January 2020**

# Contents

# Internal Audit of WFP Operations in Yemen

## I. Executive Summary

### WFP Yemen Country Office

1.    As part of its annual work plan, the Office of Internal Audit conducted an audit of WFP operations in Yemen that focused on the period 1 September 2018 to 31 August 2019. Expenditure in Yemen totalled USD 852 million in 2018, representing approximately 14 percent of WFP's total direct expenses for the year. The audit team conducted the fieldwork from 6 to 24 October 2019 at the country office premises in Sana'a and through on-site visits to project and logistics sites. The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

2.    WFP in Yemen aims to save lives and protect livelihoods in emergencies, and specifically increase food consumption through the scale-up of life-saving emergency food assistance, particularly among the most food insecure population, as well as to expand coverage of nutrition interventions to prevent and treat moderate acute malnutrition. The country office is implementing its Interim Country Strategic Plan 2019–2020 to support achievement of the Humanitarian Response Plan, including individual cluster plans. A budget revision approved in August 2019 brought the country portfolio budget from USD 3,341 to USD 4,824 million for the 2019–2020 period, to provide assistance to 15.2 million people.

3.    The political and operational context in Yemen is one of the most complex and challenging for WFP. Over four years of protracted conflict have left the country's critical economic and civil infrastructure in ruins; displaced more than three million people; led to significant loss of income and livelihoods; increased prices of basic foods up to double pre-crisis levels; and pushed the economy close to a downfall. Security and access limitations impose significant constraints on operations, and restrictions imposed by the de facto authorities in the north of the country limit WFP's ability to institute robust procedures and controls in all areas.

4.    In December 2018, following identification and confirmation by the country office's monitoring mechanisms of significant food diversion, WFP's Executive Director called for an immediate end to the diversion of food relief in areas of northern Yemen controlled by de facto authorities. In view of continuing allegations of diversion and the inability to reach an agreement over the biometric registration of beneficiaries, in June 2019, the country office partially suspended aid in Sana'a. These suspensions were lifted in August 2019 following the signing of an agreement relating to the introduction of biometric registration technology and new beneficiary selection processes. At the time of the audit report, discussions on actual implementation of this agreement were still ongoing.

### Audit conclusions and key results

5.    Based on the results of the audit, the Office of Internal Audit has come to an overall conclusion of partially satisfactory/some improvement needed. The assessed governance arrangements, risk management and controls were generally established and functioning well but needed improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved. Issues identified by the audit were unlikely to significantly affect the achievement of the objectives of the audited entity/area. Management action is recommended to ensure that identified risks are adequately mitigated.

6.    This conclusion has been reached with specific recognition and acknowledgement of the operating context in Yemen; of efforts from the whole organization to address risks within its control, although limited, and to improve operations; and of transparent communication to donors on the limitations in implementing WFP's operations. The country office continuously increased the number of beneficiaries assisted throughout and after the audit period, with a record 12.7 million people reached in November 2019. As at September 2019, the country office headcount stood at 754, representing an increase of about 65 percent in one year.

7.    The Office of Internal Audit last conducted an internal audit of WFP operations in Yemen in late 2017. From the 2017 internal audit, improvements in internal controls were noted as well as the strengthening of processes in several areas, including monitoring and cooperating partner management, and in the set-up and staffing of the country office's compliance function.

8.    In February 2019, a senior-level mission composed of experts from key functional areas within WFP and led by the Senior Director of Operations was deployed to the country office. The report following the mission contributed to the completion of an operational roadmap, issued in April 2019. Since then, the roadmap has been used as a basis to further strengthen and

implement key processes and controls, and to report monthly, through the Regional Bureau in Cairo, on progress to key donors.

9.    The audit reviewed the most recent roadmap progress report (October 2019). While the audit was in agreement with most of the progress described in the report, the audit noted that in a minority of cases completion levels and updates provided suggested a higher level of completion than the audit was able to corroborate via observation and testing. Specific instances are noted within the observations included in this report, where relevant.

10.    The country office had commenced implementing biometric registration of beneficiaries in the south of Yemen; and at the time of the audit, 750,000 beneficiaries had been registered, representing approximately 30 percent of the caseload in the south. However, the audit noted repeated postponement of the roll-out plan for complete biometric registration (in part caused by insecurity in the country); delays caused by inconsistency in guidance and its application by cooperating partners; and the need for expanded monitoring checks, especially in cases where biometric data was not gathered due to age restrictions. In the north of the country, an arrangement with the de facto authorities to implement biometric registration was signed in August 2019; however, the audit noted that a number of technical aspects of the arrangement had yet to be addressed, and that the timeline for roll out and implementation of biometric registration had already been delayed. Agreement on the arrangement and the feasibility and timeline of the roll-out were still unclear at the time of the audit report.

11.    The country office was using Commodity Vouchers through a Traders' Network as a transfer mechanism for approximately 25 percent of the beneficiary caseload. This involved the distribution of approximately 400,000 vouchers per month, with a monthly transfer value around USD 20 million. The audit noted several weaknesses in the internal control and assurance mechanisms, including the lack of voucher security features and shortcomings in recording and reconciliation processes. The country office intends to scale up cash transfers to partially replace the commodity vouchers once biometric registration has been completed. However, in the audit's view, the materiality of the activity and associated fraud risks necessitate immediate strengthening of the controls associated with commodity vouchers.

12.    A number of food quality issues and incidents, mainly related to the under-fortification of some commodities, pointed to an urgent need to strengthen control over and monitoring of inspection companies, and to adequately equip the country office with relevant skills and expertise.

13.    The management of cooperating partners required improvement, mainly relating to financial and operational reporting, timely reconciliations and, above all, payment to WFP's cooperating partners in a timely manner.

## Actions agreed

14.    The audit report contains three high and five medium priority observations, one of which has agreed actions directed at a corporate level. Management has agreed to address the reported observations and to work to implement agreed actions by their respective due dates.

15.     The Office of Internal Audit would like to thank managers and staff for their assistance and cooperation during the audit.

**Kiko Harvey**
Inspector General

# II. Context and scope

## Yemen

16.   The humanitarian crisis in Yemen remains the worst in the world. An estimated 80 percent of the population – 24 million people – require some form of humanitarian or protection assistance, including 14.3 million who are in acute need. The ongoing conflict and the resultant economic crisis are the main drivers of food insecurity in the country. The results of the Integrated Food Security Phase Classification (IPC) of December 2018 showed that 53 percent of the population – 15.9 million people – required humanitarian food assistance.

17.   Over four years of protracted conflict have left the country's critical economic and civil infrastructure in ruins; displaced more than three million people; led to significant loss of income and livelihoods; increased prices of basic foods up to double pre-crisis levels; and pushed the economy close to a downfall. A liquidity crisis and hard currency scarcity from commercial banks across the entire country is affecting the overall economic system, on both the supply and demand sides. Imports of essential commodities continue to suffer from lack of foreign currencies as a result of the continued depreciation of the Yemen Riyal against the US Dollar.

## WFP operations in Yemen

18.   The Country Office (CO) is implementing its Interim Country Strategic Plan (ICSP) 2019–2020 to support achievement of the Humanitarian Response Plan including individual cluster plans. A budget revision approved in August 2019 brought the country portfolio budget from USD 3,341 to USD 4,824 million for the ICSP period to provide assistance to 15.2 million people in Yemen. The ICSP focuses on the following:

> **Strategic Outcome 1**: Food-insecure people affected by crises across Yemen have access to life-saving, safe and nutritious food all year (activity 1).

> **Strategic Outcome 2**: People at risk of malnutrition, especially pregnant and lactating women and girls and children under 5 years old have reduced levels of malnutrition by 2020 (activities 2 and 3).

> **Strategic Outcome 3**: Vulnerable households across Yemen have access to equitable social safety nets and basic services during and in the aftermath of crises (activities 4 and 5).

> **Strategic Outcome 4**: International and national partners are supported in their efforts to assist people in Yemen and preserve critical services (activities 6, 7, 8 and 9).

19.   Despite significant and recurrent access issues over the audit period, the CO continuously increased the number of beneficiaries assisted, with a record 12.7 million people reached in November 2019.

20.   Following a workforce planning exercise in 2018, the CO created 171 new positions, upgraded 27, abolished 15 and changed 31 contract types. Two units were also created – Field Coordination and Access, and Engineering. As at September 2019, the CO headcount stood at 754, representing an increase of about 65 percent in one year. Over the audit period, there was a notable turnover of key management positions including the country director, one deputy country director, the head of programmes, the head of supply chain, and heads of some area offices (AOs).

21.   A multi-disciplinary mission of WFP senior executives was deployed to Yemen in February 2019. Observations and recommendations led to the completion of an operational roadmap for the CO (which had been initiated prior to the mission). The roadmap concerned the following key processes: (i) beneficiary management; (ii) oversight, control and monitoring mechanisms; (iii) management and capacity; (iv) stakeholder accountability and communication; (v) partnerships; and (vi) engagement with local authorities.

## Objective and scope of the audit

22.   The objective of the audit was to provide assurance on the effectiveness of internal controls, governance and risk management processes related to WFP operations in Yemen. Such audits are part of the process of providing an annual and overall assurance statement to the Executive Director on governance, risk management and internal control processes.

23.   The audit was carried out in conformance with the *Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.* It was completed according to an approved engagement plan and took into consideration the risk assessment exercise carried out prior to the audit.

24.   The scope of the audit, determined through an audit risk assessment, reviewed high and medium-priority rated processes and associated key controls within the areas of governance, programme delivery, resource management, support

functions, partnership and advocacy, as well as cross-cutting aspects. This was with recognition of ongoing investigative work in the areas of supply chain and food diversion, which consequently were not reviewed.

25.   The audit covered the period from 1 September 2018 to 31 August 2019; where necessary, transactions and events pertaining to other periods were reviewed. The audit did not review transport services and commodity management given that other work encompassing these areas was being carried out at the time of the audit by the WFP Office of Inspections and Investigations

26.   The audit fieldwork took place from 6 to 24 October 2019 at the CO premises in Sana'a and through visits to project and logistics sites where possible.

# III. Results of the audit

## Audit work and conclusions

27.   The audit work was tailored to the country context and to the objectives set by the CO, taking into account the CO's risk register, findings of WFP's second line of defence functions, and the independent audit risk assessment.

28.   Based on the results of the audit, the Office of Internal Audit has come to an overall conclusion of **partially satisfactory / some improvement needed**[1]. The assessed governance arrangements, risk management and controls were generally established and functioning well but needed improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved. Issues identified by the audit were unlikely to significantly affect the achievement of the objectives of the audited entity/area. Management action is recommended to ensure that identified risks are adequately mitigated.

29.   Security and access limitations impose significant constraints on operations, and restrictions imposed by the de facto authorities in the north of the country limited WFP's ability to institute robust procedures and controls in all areas. The CO formulated a risk appetite statement in 2019, and over the audit period it continuously engaged with the Executive Board, WFP's senior leadership, and key donors on issues and risks related to political interference, access challenges and aid diversion. The audit conclusions acknowledge the risk tolerance of the organization, and of other key stakeholders including donors, in achieving WFP's objectives in the world's largest emergency. Risks and limitations were disclosed in a transparent manner to WFP's stakeholders.

30.   The Office of Internal Audit, in supporting WFP management efforts in the areas of gender and provision by management of assurance on CO internal controls, separately reports its assessments or gaps identified in both areas.

## Gender maturity

31.   From a gender perspective, the cultural context in which the CO operates is complex, and limitations have an impact on achievement of the CO's objectives and targets. At an organizational level, the overall representation of women within the CO reached 23 percent in 2018. The CO was implementing focused recruitment initiatives to reach a wider national and international female audience and to improve female staff representation by 30 percent by 2021. Gender activity budgets have been included in project design and implementation plans.

## Annual assurance statement

32.   WFP uses first-line management certifications whereby all directors, including country and regional directors, must confirm through annual assurance statements whether the system of internal controls, for the entity under their responsibility, is operating effectively. At a consolidated level, the assurance statements are intended to provide a transparent and accountable report on the effectiveness of WFP's internal controls. The audit reviewed the CO's assurance statement for 2018 and compared assertions with the audit findings.

33.   The review indicated that CO management did not report any significant gaps in the design, implementation and operating effectiveness of internal controls. With the exception of findings under observations three, six and seven, regarding beneficiary biometric registration, food quality management and custodian management of commodity vouchers respectively, the audit did not highlight any material deviations from management's assertions as found in the assurance

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[1] See Annex B for definitions of audit terms.

statement. CO management was aware of biometric registration challenges and food quality issues and was actively working to address these at the time of the audit. These issues will be reflected in the 2019 assurance statement.

## Observations and agreed actions

34.  Table 1 outlines the extent to which audit work resulted in observations and agreed actions. These are classified according to the areas in scope established for the audit and are rated as medium or high priority; observations that resulted in low priority actions are not included in this report.

| **Table 1: Overview of areas in scope, observations and priority of agreed actions** | **Priority of issues/agreed actions** |
|---|---|
| **A: Governance and structure** | |
| *1. Internal guidance and management oversight* | *Medium* |
| *2. Risk management* | *Medium* |
| **B: Delivery** | |
| *3. Biometric registration project management* | *High* |
| *4. Cooperating partners management* | *Medium* |
| *5. Monitoring* | *Medium* |
| **C: Resource management** | |
| *No observations raised* | *N/A* |
| **D: Support functions** | |
| *6. Food quality issues* | *High* |
| *7. Custodian management of commodity vouchers* | *High* |
| *8. Cash transfers* | *Medium* |

35.  The eight observations of this audit are presented in detail below.

36.  Management has agreed to take measures to address the reported observations.[2] An overview of the actions to be tracked by internal audit for implementation, their due dates and their categorization by WFP's risk and control frameworks can be found in Annex A.

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[2] Implementation will be verified through the Office of Internal Audit's standard system for monitoring agreed actions.

## A: Governance and structure

37.   The audit performed tests and reviews of the CO's organizational structure, including mechanisms for decision making; delegations of authority; segregation of duties; management and supervision of field operations; and mechanisms for management of oversight and risk management.

38.   A significant scale-up in the CO took place in the first half of 2019, in part as a result of the recommendations of the senior-level mission carried out in February that year. This entailed a significant increase in the number of CO staff and a substantial increase in operational volumes.

39.   The CO formulated a risk appetite statement in 2019, and over the audit period it continuously engaged with the Executive Board, WFP's senior leadership, and key donors on issues and risks related to political interference, access challenges and aid diversion. The CO enhanced overall controls and oversight of the food assistance programme, and strengthened its risk management and compliance team, which is now fully staffed.

| Observation 1: Internal guidance and management oversight |
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40.   As at September 2019, the CO headcount stood at 754, representing an increase of approximately 65 percent in one year. Following this increase, the CO conducted learning initiatives both inside and outside of Yemen; numerous staff attended leadership and functional training and workshops. However, the audit observed that capacity-building initiatives would benefit from reinforcing and prioritizing key areas in liaison with heads of functional units to ensure that staff are technically well-equipped and enabled to perform their duties.

41.   In parallel with the scale-up of operations in the country and WFP's increasing field presence, both in the north and south, the CO had started to increase the production and dissemination of country-specific guidance. However, at the time of the audit mission, a number of key standard operating procedures (SOPs) and other documents still needed to be approved and circulated.

42.   In recent years, the CO has strengthened its risk management and compliance team, and in 2019 was planning to expand the role of this function to fraud detection and prevention, with more presence in field offices in response to the planned upcoming decentralization. A series of oversight missions were carried out during the audit period, providing senior level oversight of CO operations. In addition to the headquarters senior-level mission, in March 2019 the CO benefitted from missions carried out by headquarters and the Regional Bureau in Cairo (RBC) including reviews of finance, human resources and logistics. However, the audit noted limited second-line oversight coverage of operations within the CO and AOs, either coordinated or carried out by the CO's risk and compliance team. A risk assessment to inform comprehensive second-line oversight within the CO had yet to be completed.

Underlying cause(s): Strategic transformation with upcoming scale-up of operations and decentralization process; significant increase in staff numbers; and incomplete risk assessment to support work plans specifically for delivery and support functions.

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**Agreed Actions** [Medium priority]

The CO will:

(i)   Continue to implement the learning and training programme, prioritizing key areas in liaison with heads of functional units, thereby reinforcing capacity-building initiatives to ensure that staff are technically well-equipped and enabled to perform their duties in line with WFP's operational ethics and values;

(ii)   Expedite the approval, issuance and circulation of all key SOPs; and

(iii) Complete a risk assessment to inform comprehensive second-line oversight within the CO and AOs.

**Timeline for implementation**
30 April 2020

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| Observation 2: Risk management |
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43.  The CO had established and was using various mechanisms to identify and manage the working and contextual environment in Yemen, including complexities related to the authorities and the two governments (the Internationally Recognized Government [IRG] and de facto authorities). These mechanisms included risk review exercises, regional or headquarters risk or oversight missions, and other relevant CO assurance statements. In addition to these mechanisms, in May 2019 the CO established a risk appetite statement and key risk indicators to track and manage contextual, operational and fiduciary risks associated with its programmes and the upcoming scaling up of operations.

44.  However, the audit noted that some operational, counterparty and fiduciary risks would benefit from improved visibility, management and monitoring. For example:

- In some instances operational risks associated with food quality, related primarily to food procured through local traders, were observed to be significant (see observation 6). Risks associated with the limited capacity of inspection companies and laboratories were not fully mitigated by the CO. Planned capacity-building activities for these vendors were delayed; and risks associated with frequent deliveries of under-fortified wheat flour under the Commodity Voucher through Traders' Network (CV-TN) programme were not clearly recognized as an impediment to reaching programmatic and nutrition objectives.

- The CO had not put in place a system to formally monitor the counterparty risks associated with large vendors. Vendors from the same small number of vertically integrated holding groups had various contracts with the CO, including the Alhadi company (providing primary transport, secondary transport, warehouse operations and milling services, and local supplies under the name of Almohsen company) and the World Link company (providing primary transport, secondary transport and warehousing services). This situation could raise the risk of conflicts of interest, requiring careful monitoring.

- In certain cases when WFP engages with a contractor a financial guarantee is required from the contractor's financial institution. This guarantee serves as security/collateral in the event that the contractor defaults or fails to perform the terms of the contract, resulting in losses to WFP. The audit noted that the CO had not requested financial guarantees to manage fiduciary risks associated with the procurement of transport services, food, goods and services, and financial services. Instead, the CO was mitigating these risks by maintaining substantial payable amounts to vendors, or by setting up contracts where vendors were required to pre-finance CV-TN or cash-transfer programmes.

Underlying cause(s): Lack of coordination between CO units; unclear and varying corporate guidance on how to manage operational and fiduciary risks; and the need for financial guarantees.

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**Agreed Actions** [Medium priority]

The CO will:

(i)   Review and update risk register statements to include the risks identified during the audit assignment and ensure they are actively mitigated; and

(ii)  In coordination with relevant headquarters units, assess the level of counterparty and fiduciary risks associated with contracting with local vendors and harmonize related mitigating actions.

**Timeline for implementation**

30 April 2020

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## B: Delivery

45.   The audit performed tests and reviews of programme management (including beneficiary management) and in-country monitoring. Review of activities (including provision of nutrition assistance to treat and prevent malnutrition[3]), operational partnerships and WFP's commitment to Accountability to Affected Populations (AAP) principles were also considered during field visits and desk reviews.

46.   The CO increased its beneficiary caseload from 8 million in 2018 to 12 million in August 2019. Despite an adverse operating environment that slowed down the speed of scale-up and impacted the quality of programme implementation, the CO demonstrated the capacity to scale up delivery and distribution capacities in Yemen. Beneficiaries were provided with a combination of General Food Distribution (GFD), commodity vouchers through CV-TN, and cash transfer modalities.

47.   The audit reviewed the provision of nutrition assistance to treat and prevent malnutrition. The number of delivery points increased threefold over a two-year period, and tonnage distributed in 2019 followed the same trend. Although implementation of nutrition activities still faced serious challenges on the ground, the CO made significant progress over the audit period and worked proactively on addressing root causes of issues. Although areas of improvement were noted in outcome monitoring and budget planning, the audit did not identify significant weaknesses or risks requiring management's attention.

| Observation 3: Biometric registration project management |
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*Northern areas*

48.   In 2019, WFP senior management provided strong support to reach an agreement with the de facto authorities on targeting and biometric registration in SCOPE. This was followed by heavy engagement from the CO to implement the agreement.

49.   The audit noted that, due to the unique context in areas under control of Sana'a based authorities, WFP had to agree to technical arrangements which carried particular risks. While the integrity of the SCOPE system remains intact, the agreement stipulated that biometrics data shall be retained in a joint server room, and registration devices will not be connected to the internet, with the effect that some key controls will de facto be performed by the authorities with technical support from WFP. At the time of the audit, the CO, with support from headquarters, was working on mitigating risks related to data custody, identifying deduplication controls and IT security in general. As of November 2019, some technical requirements to mitigate risks were still under development or in the testing phase.

50.   As negotiations with the de facto authorities regarding implementation of the agreement have extended, the CO had to postpone a pilot exercise scheduled for November 2019, with a completion date yet to be determined pending political considerations.

*Southern areas*

51.   Biometric registrations started in late 2018 in IRG controlled areas. As of October 2019, the CO had registered 750,000 beneficiaries, or close to 30 percent of the planned caseload. The initial SCOPE roll-out plan had been repeatedly amended and, consequently, in spite of these achievements, the audit could not clearly assess the CO's progress and expected date for the full roll-out.

52.   The biometrics registration exercise, conducted mostly by the CO's third-party monitor (TPM), was delayed due to what the audit identified as limited understanding and application of WFP's guidance and SOPs by cooperating partners (CPs) during the previous registration exercise. The CO was in the process of drawing lessons from this process and reviewing procedures accordingly.

53.   As registrations in SCOPE were progressing, the CO was conducting data analysis on beneficiary records in a non-systematic fashion, mostly at the governorate-level. Given that close to 50 percent of the caseload was being registered without biometrics (population under the age of 18 years old) and thus did not undergo identity deduplication, exhaustive monitoring and detective controls needed to be put in place and standardized.

Underlying cause(s): Lack of access; highly scrutinized operation with imperative to deliver; ambitious SCOPE roll-out plan; and guidance for registration process under refinement.

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[3] The 2019 work plan of the Office of Inspector General included a thematic audit of nutrition in WFP. The Yemen CO was selected together with five other country offices to inform this corporate audit.

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**Agreed Actions** [High priority]

The CO will:

(i) In coordination with the Emergencies and Transitions unit (OSZPH), incorporate methodological components of privacy impact assessments relevant to the CO's operational contexts.

(ii) With the support of TECB/TECM, and following the pilot exercise, review the technical solution rolled out in northern areas to identify potential new risks and/or mitigating actions that remain pending, and develop a plan to address these as appropriate.

(iii) Continue updating timelines for biometric registration in southern areas until completion and keep track of progress of implementation against the target.

(iv) Following the lessons learned and feedback from CPs and TPMs, finalize SOPs and the methodology for biometric registration processes in southern areas.

(v) Improve data analytics capacities and systemize monitoring controls over registrations without biometrics.

**Timeline for implementation**

30 June 2020

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## Observation 4: Cooperating partners management

54.   The CO has an average monthly commitment of USD 6 million for payments to CPs. As per corporate guidance, payments to CPs are made based on the clearance of CP Distribution Reports (CPDRs). At the time of the audit fieldwork, approximately 50 percent of CPs had outstanding CPDRs dating from January 2019, implying significant delays in processing payments. On average payments took more than six months to process, leading to potential fund management implications for the CO and cash flow challenges for CPs. Payment advances may be used up to an amount of USD 100,000, which may be insufficient within the context and size of Yemen operations.

55.   CPs met by the audit team highlighted that the current payment process posed them significant financial and operational risks, such as delays in payment of salaries for their staff.

56.   Various reasons were noted for delays in CPDR processing. Before the CO can clear CPDRs, all transporter waybills need to be collected and reconciled with partner reports. This is a lengthy process often complicated by issues of access to some geographic areas. Accurate and timely data entry in LESS is also challenging as the process is manual. Finally, most CPs work in different governorates coordinated by different AOs. Delays in submitting and clearing a CPDR in one area implied that a number of payments had not been made even if CPDRs were cleared by other AOs. These issues are not unique to Yemen operations.

57.   The CO had started to implement initiatives to streamline the reporting process. It had begun implementation of a last mile tracking system (Holistic Tracking System – HTS), which is intended to enable CPs to reconcile CPDRs to transporter dispatches. At the time of the audit fieldwork, 50 percent of CPs had started to adopt HTS. In the context of the adoption of the Harmonized Approach for Cash Transfers (HACT), the CO was considering changing requirements for CP payments. The revised process would require CPs to self-certify expenditure and issue invoices based on the self-declaration, which the audit felt raised other significant risks.

58.   During the audit period, the CO had made progress in decreasing the caseload of the Ministry of Education in key governorates such as Al Bayda, Amran and Ibb. The shift from the Ministry of Education to other CPs will allow for a more balanced allocation of caseloads. To further strengthen internal controls over the CP management process, the CO focused on performance evaluation, training and reporting. However, the audit noted the following issues:

- A comprehensive CP performance evaluation tool had been developed. The tool takes into account data from different sources including AO assessments, findings from TPMs, and CP evaluations of partnerships and is serving as a basis for identifying capacity strengthening areas and partner selection. However, at the time of the audit fieldwork, the linkage between evaluations and follow-up actions, such as training plans or increases of partner caseloads, was not clear or fully documented. The CO's approach was not to tailor capacity-building plans to specific CP evaluation results, but rather to select three areas considered cross-cutting and relevant for all CPs: minimum monitoring requirements, humanitarian principles and access.

- Given the strategic role and the specificities of the partnership with the Ministry of Education, the CO committed to dedicate staff to training the Ministry of Education and to develop an ad hoc capacity strengthening plan. However, the audit noted the plan was still at a draft stage, related costs were under negotiation and dedicated staff were not yet on board.

Underlying cause(s):  Recurrent issues with collection of CPDRs and capturing data in LESS, leading to delays in CPDR clearances and CP payments; database and process to capture and leverage evaluation results not developed; and strategic plan for Ministry of Education capacity strengthening not finalized.

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**Agreed Actions** [Medium priority]

1) The NGO Partnership unit will, in coordination with the CO, review CO initiatives to streamline the reporting process and explore options to expedite payments.

2) The CO will:

   (i) Capture evaluation results in a database, rank and/or categorize CPs and establish action plans based on ranking and the risks identified in the evaluation. The database may serve as a basis for selecting CPs in the future, if for example an expression of interest process cannot be used; and

   (ii) Finalize the Ministry of Education capacity strengthening plan and expedite Ministry of Education training.

**Timeline for implementation**

30 June 2020

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## Observation 5: Monitoring

59.   Overall, the audit concluded that the CO's monitoring systems had substantially improved since the last internal audit conducted in 2017. Monitoring tools and mechanisms had expanded (including a new TPM for the school meals programme and the introduction of outgoing call centres). Although the work of WFP field monitors continued to face challenges due to access constraints, as of mid-2019 the main TPM had increased its monthly coverage to 10 percent of distribution sites. In addition, the CO had introduced a flagging system and prioritization of Final Distribution Points (FDP) for follow-up of issues.

60.   This expansion of the monitoring system led to a higher number of reported issues and a lack of centralization of monitoring data, rendering the follow-up of issues less effective. As of October 2019, a significant number of hotline cases older than six months were still open, including high-priority cases from 2017 (eight), 2018 (292) and 2019 (204). The CO had become more proactive in closing long-outstanding items before the issuance of this audit report.

61.   The October 2019 Operational Roadmap Progress Report indicated that all reported issues from various sources were registered centrally. However, as of October 2019, the audit observed that two of five monitoring sources – representing over 80 percent of monitoring data – had been integrated into a single repository and the CO was planning to finalize the integration of all monitoring tools. SOPs to accompany these new tools and processes were being updated and had yet to be finalized.

Underlying cause(s): Lack of access requiring augmented monitoring systems; lack of corporate guidance for field monitoring activities; SOPs for closure of hotline cases not finalized; and lack of accountability from respective client units for hotline case monitoring.

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**Agreed Actions** [Medium priority]

The CO will:

   (i) Finalize the integration of monitoring tools, including by providing access to TPMs; and

   (ii) Develop an SOP establishing criteria and timeline for follow-up and closing of monitoring issues.

**Timeline for implementation**

30 June 2020

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## C: Resource management

62.   The audit performed tests and reviews of finance and accounting procedures, and human resources management, including recruitment and training.

63.   During the audit period, RBC carried out an oversight exercise of human resources management. Although areas of improvement were noted in performance management, the audit did not identify significant weaknesses or risks requiring management's attention. The oversight mission noted that, in general, important efforts were being made to ensure transparency and consistency in the recruitment process.

64.   No observations were raised in this area.

## D: Support functions

65. The audit reviewed the CO's framework for transfer modalities, and CO management's support functions for food and cash deliveries to beneficiaries were tested. Key decisions were reviewed relating to the CO's supply chain management; management of food safety and quality, including procurement of food deliveries under the CV-TN programme; and procurement of financial services associated with cash transfers.

66. The audit did not perform any review of transport services and commodity management given ongoing investigative work being conducted by the Office of Investigation (OIGI) on reported cases of food diversion. In May 2019, RBC carried out an oversight mission on logistics, commodity and fund management; the report was received after the audit fieldwork. The audit only carried out a follow-up review of areas for improvement that were identified in transport contracting and commodity accounting. It was noted that the CO was finalizing implementation of the mission's recommendations.

| Observation 6: Food quality issues |
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67. During the audit period, USD 135 million of purchase orders related to food procurement were released and the value of food procured locally increased significantly. The audit noted that, despite the increasing value and strategic role of local procurement, an international position dedicated to Food Safety and Quality (FSQ) was vacant during the whole audit period. The CO, in coordination with headquarters and RBC, advertised the position internally but struggled to identify a candidate. After no candidate was found, it was decided to advertise the position externally. A logistics associate had already been recruited in the absence of an international staff member.

68. Given the absence of dedicated staff, the Supply Chain Division (OSC) and RBC tried to provide increased support remotely and through in-country missions. As part of these support efforts, in March 2019 the Food Safety and Quality Assurance unit (OSCQ) and the CO defined and agreed a food quality management improvement plan. The audit noted that while the CO had committed to implement the plan within four months, not all elements had been completed.

69. In accordance with the plan, the CO had expanded its roster of inspection companies from one to three, thereby securing additional contracted capacity. However, the audit observed that capacity-building activities for these inspectors had not taken place. These activities were intended to strengthen the main inspection company operating in country after the CO (supported by headquarters and RBC) had noted underperformance and instances of certificates not reflecting the actual values of samples analysed. Issues with the capacity of inspection companies were previously highlighted at corporate level in an internal audit of Food Procurement, which recommended a reassessment of the quality controls in place.[4]

70. Date bars and high-energy biscuits were procured both internationally and locally within Yemen. Underperformance was noted for the sole local supplier of date bars and biscuits, with compliance tests during 2018 and 2019 highlighting under-fortification issues. After consultation with headquarters and RBC, the CO raised the issues with the supplier, which had failed to provide adequate documents supporting proof of purchase of the fortification premix component. Unannounced factory visits to this supplier were included in the plan but were not carried out due to access limitations.

71. The plan also required that the CO obtain certificates of imported products (lentils, peas) from vendors. The documents were not provided by one of the two suppliers used by the CO during the audit period.

72. Some cases of infestation were identified at distribution points by WFP internal controls or local authorities and by some beneficiaries after distribution. These incidents were often reported in the media creating a negative narrative on the quality of food distributed by WFP. A recent audit report on Food Safety and Quality[5] at the corporate level raised the need to move to quality assurance, where WFP strengthens its prevention and detection controls, and to reduce reliance on the beneficiary to identify quality issues. Actions recommended therein were considered but not repeated in this report.

Underlying cause(s): Lack of in-country staff dedicated to food quality and safety; limited capacity of some local vendors (suppliers, inspection companies, laboratories); delays in food deliveries exacerbated by external bureaucratic impediments; and limited availability of adequate warehouses and storage facilities at some distribution points.

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[4] Internal Audit of Food Procurement in WFP (AR/19/05).
[5] Report AR-19-20 - Internal Audit of Food Safety and Quality as a Corporate Risk.

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**Agreed Actions** [High priority]

The CO will:

   (i)   Ensure adequate staffing capacity including an international specialist in food safety and quality;

   (ii)  Review the food quality management plan and update mitigating measures as necessary and complete implementation of the plan;

   (iii) Following a market assessment, adjust the components of the school feeding food basket and the ratio of international versus local procurement based on an assessment of the capacity of local third parties;

   (iv)  Agree a process for expediting deliveries with local authorities; and

   (v)   Incorporate results of warehouse/store assessments in the database of CP evaluations and related action plan (see also observation 4).

**Timeline for implementation**

30 June 2020

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**Observation 7: Custodian management of commodity vouchers**

73.   The Commodity Voucher through Traders' Network (CV-TN) programme, launched in February 2016, aims at leveraging existing food import, supply and distribution networks in Yemen to reach the maximum number of people in need. Under the programme, WFP provides food to about 3 million beneficiaries via the distribution of approximately 400,000 commodity vouchers per month for an approximate transfer value of USD 20 million (an average of 140,000 vouchers per month were distributed in 2018). This is in addition to in-kind food distribution, through which WFP is reaching over 9 million beneficiaries.

74.   WFP purchases commodities in aggregated quantities from contracted service providers. Ownership exchange of the food takes place at service providers' retail shops through redemption of the commodity vouchers received by beneficiaries from WFP through CPs. Payment to service providers is effected at agreed prices on submission of evidence of the exchange via redeemed vouchers. The CV-TN programme contracts four main wholesalers.

75.   Voucher movements must be properly monitored and recorded to prevent unauthorized use and damage; the tool used to do this is the voucher reporting log (VRL). In accordance with corporate guidance, the CO has implemented voucher management procedures and processes to determine how paper vouchers are received, recorded, retained and destroyed. The audit noted some challenges for the CO in maintaining the Excel-based VRL due to the high volume of vouchers. Some delays and errors were also noted because of manual entries and the lack of multi-functional use access by other units or implementing partners (for example Programme, Supply Chain and CPs) which should ensure voucher movements are captured by specified functional unit focal points.

76.   The review of CV-TN processes highlighted that the voucher distribution and redemption processes in place involve intrinsic risks that were not fully mitigated by the preventive controls in place. Based on restrictions imposed by the authorities on implementation of an electronic vouchers system, the CO had to use low-tech, readily available paper vouchers to implement the programme within a short time-span. Some mandatory technical corporate requirements for paper vouchers were used (for example vouchers carry unique serial numbers, an expiration date is stated on each voucher, and voucher colours are changed monthly); however, other security features were not adopted to protect against fraud through forgery (including secure printing). The audit could not observe voucher distribution due to security constraints. Some monitoring reports from TPMs indicated that CP staff might not always be present, or present in sufficient numbers, at voucher distribution points and/or retail shops. The CO plans to scale up cash transfers to partially replace the CV-TN programme; however, this shift may take longer than planned by the CO (see also observation 3).

Underlying cause(s): Lack of a corporate tool for custodian management of paper vouchers; local constraints to add additional security features to paper vouchers; and internal guidance on how to manage physical custody of paper vouchers not finalized and disseminated to staff.

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**Agreed Actions** [High priority]

The CO will:

(i) Reassess the risks associated with the use of paper vouchers and adjust and/or implement further assurance mechanisms accordingly (including consideration of both preventive and detective controls); and implement further optional security assurances on paper vouchers in the new tender for 2020 voucher printing;

(ii) Finalize the development of an automated tool to improve maintenance of the VRL and ensure it incorporates multi-functional user access so that voucher movements are captured by specified functional unit focal points; and

(iii) Expedite the formalization/dissemination of SOPs/internal guidance on the custodian management of vouchers.

**Timeline for implementation**

29 February 2020

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## Observation 8: Cash transfers

77.   In 2018, the CO rolled out a cash-based transfer programme in southern governorates as a modality for general food assistance in addition to in-kind and CV-TN activities. The programme targets urban areas with well-functioning markets and infrastructure to support cash transfers. Due to contextual challenges across Yemen, the CO explored the possibility of using either immediate cash, prepaid cards or a combination of both delivery mechanisms for contingency purposes, and approved the award of contracts to two financial service providers (FSPs) for a period of two years.

78.   During the audit period, the CO implemented the programme through an immediate cash modality supported with the biometric SCOPE delivery mechanisms through one of the two contracted FSPs. In September 2019, this programme reached approximately 316,000 beneficiaries with cash transfers amounting to more than USD 4 million per month. The CO is planning to expand the programme to eventually reach approximately three million beneficiaries (with about one million beneficiaries in Sana'a city) by the end of 2020.

79.   To minimize the potential risk of fraud and operational errors, the CO decided to register beneficiaries in SCOPE using biometrics, and deployed WFP biometric point of sale machines (POS) in all FSP branches, which allowed the CO and the FSP to track provision of assistance though beneficiaries' use of SCOPECARDs. For each distribution cycle, the SCOPECARDs are topped up with the transfer amounts and, following a biometric authentication process, beneficiaries may collect cash at FSP branches and cash outlets of authorized agents. The FSP uses its normal branch banking system to disburse the funds, according to the instructions (approved payment list) from SCOPE. The cash-out process essentially involves two transactions, i.e. first on the SCOPECARD (for authentication) and second on the FSP's proprietary system.

80.   Because cash transfer transactions are processed in two independent systems (FSP and SCOPE) the beneficiary payment list is also shared with the FSP through a SharePoint site, which is inherently insecure. This additional step is required for the FSP to upload the payment list into their system and send payment instructions to their branches and agents for further processing. Transactions processed in the FSP's systems are shared at the end of the cash transfer cycle via the same channels, i.e. the SharePoint site. Due to the set-up in place, WFP cannot receive an automated confirmation of the transfer from the FSP via a secure mechanism.

81.   As the transactions are not processed from the FSP's proprietary system, the CO cannot use standard SCOPE automated reconciliation processes which would assist in adhering to interim corporate guidance for cash-based transfer (CBT) reconciliation and transaction monitoring. Reconciliation is instead conducted outside of SCOPE by comparing SCOPECARD transactions with FSP transactions using Excel. The audit did not find any exceptions from a review of past manual reconciliations; however, such a manual process is lengthy and inherently prone to error. It is unlikely to be sustainable given the planned scale-up of cash transfers in both north and south governorates.

Underlying cause(s): Challenges to integrate SCOPE and FSP payment systems which are not capturing biometrics; lack of FSP equipment, and software which is also not suitable for managing WFP's bulk payment instructions.

**Agreed Actions** [Medium priority]

The CO will:

(i) In coordination with TECB and FSPs, explore possibilities for payment instructions and confirmation data to be exchanged between the CO and the FSPs using SCOPE's secure file transfer mechanisms;

(ii) Explore all options to modify the intervention set-up in place in order to use the standard SCOPE reconciliation process; and

(iii) Assess the risks associated with other delivery mechanisms such as prepaid cards as included in signed agreements.

**Timeline for implementation**

31 March 2020

# Annex A – Summary of observations

The following tables show the categorization, ownership and due date agreed with the auditee for all the audit observations raised during the audit. This data is used for macro analysis of audit findings and monitoring the implementation of agreed actions.

| | | Categories for aggregation and analysis: | | | |
|---|---|---|---|---|---|
| **High priority observation** | **WFP's Internal Audit Universe** | **WFP's Governance, Risk & Control logic:** | | **Implementation lead** | **Due date(s)** |
| | | **Risks (ERM)** | **Processes (GRC)** | | |
| 3 | Biometric registration project management | Beneficiary management | Programme risks | Beneficiaries management | CO | 30 June 2020 |
| 6 | Food quality issues | Food quality and safety | Business process risks | Food | CO | 30 June 2020 |
| 7 | Custodian management of commodity vouchers | CBT | Business process risks | CBT service providers | CO | 29 February 2020 |

| | | Categories for aggregation and analysis: | | | |
|---|---|---|---|---|---|
| **Medium priority observations** | **WFP's Internal Audit Universe** | **WFP's Governance, Risk & Control logic:** | | **Implementation lead** | **Due date(s)** |
| | | **Risks (ERM)** | **Processes (GRC)** | | |
| 1 | Internal guidance and management oversight | Management oversight | Governance & oversight risks | Risk management | CO | 30 April 2020 |
| 2 | Risk management | Risk management | Governance & oversight risks | Risk management | CO | 30 April 2020 |
| 4 | Cooperating partners management | NGO partnerships | Partner and vendor risks | Partner management | PGCN CO | 30 June 2020 |
| 5 | Monitoring | Monitoring & evaluation | Programme risks | Evaluation | CO | 30 June 2020 |
| 8 | Cash transfers | CBT | Business process risks | CBT service providers | CO | 31 March 2020 |

# Annex B – Definitions of audit terms: ratings & priority

## 1    Rating system

The internal audit services of UNDP, UNFPA, UNICEF, UNOPS and WFP adopted harmonized audit rating definitions, as described below:

**Table B.1: Rating system**

| Rating | Definition |
|---|---|
| Effective / satisfactory | The assessed governance arrangements, risk management and controls were adequately established and functioning well, to provide reasonable assurance that issues identified by the audit were unlikely to affect the achievement of the objectives of the audited entity/area. |
| Partially satisfactory / some improvement needed | The assessed governance arrangements, risk management and controls were generally established and functioning well but needed improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved. |
| | Issue(s) identified by the audit were unlikely to significantly affect the achievement of the objectives of the audited entity/area. |
| | Management action is recommended to ensure that identified risks are adequately mitigated. |
| Partially satisfactory / major improvement needed | The assessed governance arrangements, risk management and controls were generally established and functioning, but need major improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved. |
| | Issues identified by the audit could negatively affect the achievement of the objectives of the audited entity/area. |
| | Prompt management action is required to ensure that identified risks are adequately mitigated. |
| Ineffective / unsatisfactory | The assessed governance arrangements, risk management and controls were not adequately established and not functioning well to provide reasonable assurance that the objectives of the audited entity/area should be achieved. |
| | Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area. |
| | Urgent management action is required to ensure that the identified risks are adequately mitigated. |

## 2    Priority of agreed actions

Audit observations are categorized according to the priority of agreed actions, which serve as a guide to management in addressing the issues in a timely manner. The following categories of priorities are used:

**Table B.2: Priority of agreed actions**

| High | Prompt action is required to ensure that WFP is not exposed to high/pervasive risks; failure to take action could result in critical or major consequences for the organization or for the audited entity. |
|---|---|
| Medium | Action is required to ensure that WFP is not exposed to significant risks; failure to take action could result in adverse consequences for the audited entity. |
| Low | Action is recommended and should result in more effective governance arrangements, risk management or controls, including better value for money. |

Low priority recommendations, if any, are dealt with by the audit team directly with management. Therefore, low priority actions are not included in this report.

Typically, audit observations can be viewed on two levels: (1) observations that are specific to an office, unit or division; and (2) observations that may relate to a broader policy, process or corporate decision and may have broad impact.[6]

To facilitate analysis and aggregation, observations are mapped to different categories:

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[6] An audit observation of high risk to the audited entity may be of low risk to WFP as a whole; conversely, an observation of critical importance to WFP may have a low impact on a specific entity, but have a high impact globally.

### Categorization by WFP's audit universe

WFP's audit universe[7] covers organizational entities and processes. Mapping audit observations to themes and process areas of WFP's audit universe helps prioritize thematic audits.

**Table B.3: WFP's 2019 audit universe (themes and process areas)**

| | | |
|---|---|---|
| A | Governance | Change, reform and innovation; Governance; Integrity and ethics; Legal support and advice; Management oversight; Performance management; Risk management; Strategic management and objective setting. |
| B | Delivery | (Agricultural) Market support; Analysis, assessment and monitoring activities; Asset creation and livelihood support; Climate and disaster risk reduction; Emergencies and transitions; Emergency preparedness and support response; Malnutrition prevention; Nutrition treatment; School meals; Service provision and platform activities; Social protection and safety nets; South-south and triangular cooperation; Technical assistance and country capacity strengthening services. |
| C | Resource Management | Asset management; Budget management; Contributions and donor funding management; Facilities management and services; Financial management; Fundraising strategy; Human resources management; Payroll management; Protocol management; Resources allocation and financing; Staff wellness; Travel management; Treasury management. |
| D | Support Functions | Beneficiary management; CBT; Commodity management; Common services; Constructions; Food quality and standards management; Insurance; Operational risk; Overseas and landside transport; Procurement – Food; Procurement - Goods and services; Security and continuation of operations; Shipping - sea transport; Warehouse management. |
| E | External Relations, Partnerships and Advocacy | Board and external relations management; Cluster management; Communications and advocacy; Host government relations; Inter-agency coordination; NGO partnerships; Private sector (donor) relations; Public sector (donor) relations. |
| F | ICT | Information technology governance and strategic planning; IT Enterprise Architecture; Selection/development and implementation of IT projects; Cybersecurity; Security administration/controls over core application systems; Network and communication infrastructures; Non-expendable ICT assets; IT support services; IT disaster recovery; Support for Business Continuity Management. |
| G | Cross-cutting | Activity/project management; Knowledge and information management; M&E framework; Gender, Protection, Environmental management. |

## 3    Categorization by WFP's governance, risk & compliance (GRC) logic

As part of WFP's efforts to strengthen risk management and internal control, several corporate initiatives and investments are underway. In 2018, WFP updated its Enterprise Risk Management Policy[8], and began preparations for the launch of a risk management system (Governance, Risk & Compliance – GRC – system solution).

As a means to facilitate the testing and roll-out of the GRC system, audit observations are mapped to the new risk and process categorizations to define and launch risk matrices, identify thresholds and parameters, and establish escalation/de-escalation protocols across business processes.

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[7] A separately existing universe for information technology with 60 entities, processes and applications is currently under review, its content is summarized for categorization purposes in section F of table B.3.
[8] WFP/EB.2/2018/5-C

**Table B.4: WFP's new ERM Policy recognizes 4 risk categories and 15 risk types**

| 1 | Strategic | 1.1 Programme risks, 1.2 External Relationship risks, 1.3 Contextual risks, 1.4 Business model risks |
|---|---|---|
| 2 | Operational | 2.1 Beneficiary health, safety & security risks, 2.3 Partner & vendor risks, 2.3 Asset risks, 2.4 ICT failure/disruption/attack, 2.5 Business process risks, 2.6 Governance & oversight breakdown |
| 3 | Fiduciary | 3.1 Employee health, safety & security risks, 3.2 Breach of obligations, 3.3 Fraud & corruption |
| 4 | Financial | 4.1 Price volatility, 4.2 Adverse asset or investment outcomes |

**Table B.5: The GRC roll-out uses the following process categories to map risk and controls**

| 1 | Planning | Preparedness, Assessments, Interventions planning, Resource mobilization and partnerships |
|---|---|---|
| 2 | Sourcing | Food, Non-food, Services |
| 3 | Logistics | Transportation, Warehousing |
| 4 | Delivery | Beneficiaries management, Partner management, Service provider management, Capacity strengthening, Service delivery, Engineering |
| 5 | Support | Finance, Technology, Administration, Human resources |
| 6 | Oversight | Risk management, Performance management, Evaluation, Audit and investigations |

## 4    Monitoring the implementation of agreed actions

The Office of Internal Audit (OIGA) tracks all medium and high-risk observations. Implementation of agreed actions is verified through the Office of Internal Audit's system for the monitoring of the implementation of agreed actions. The purpose of this monitoring system is to ensure management actions are effectively implemented within the agreed timeframe to manage and mitigate the associated risks identified, thereby contributing to the improvement of WFP's operations.

OIGA monitors agreed actions from the date of the issuance of the report with regular reporting to senior management, the Audit Committee and the Executive Board. Should action not be initiated within a reasonable timeframe, and in line with the due date as indicated by Management, OIGA will issue a memorandum to Management informing them of the unmitigated risk due to the absence of management action after review. The overdue management action will then be closed in the audit database and such closure confirmed to the entity in charge of the oversight.

When using this option, OIGA continues to ensure that the office in charge of the supervision of the Unit who owns the actions is informed. Transparency on accepting the risk is essential and the Risk Management Division is copied on such communication, with the right to comment and escalate should they consider the risk accepted is outside acceptable corporate levels. OIGA informs senior management, the Audit Committee and the Executive Board of actions closed without mitigating the risk on a regular basis.

# Annex C – Acronyms

| | |
|---|---|
| AO | Area Office |
| CBT | Cash-Based Transfer |
| CO | County Office |
| CP | Cooperating Partner |
| CPDR | Cooperating Partner Distribution Report |
| CV-TN | Commodity Voucher through Traders' Network |
| FSP | Financial Service Provider |
| ICSP | Interim Country Strategic Plan |
| IRG | Internationally Recognized Government |
| NGO | Non-governmental Organization |
| OIGA | Office of the Inspector General Internal Audit |
| RBC | Regional Bureau in Cairo |
| SCOPE | WFP's beneficiary information and transfer management platform |
| SOP | Standard Operating Procedure |
| TECB | Information Technology Beneficiary Service branch |
| TPM | Third Party Monitoring |
| UN | United Nations |
| USD | United States Dollar |
| VRL | Voucher Reporting Log |
| WFP | World Food Programme |